GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:183
ANSWERED ON:30.11.2015
Demand and Supply of Natural Gas
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of demand and supply of natural gas in the country along with the quantum of gas/LNG imported to meet the shortfall/projected demand during the last three years and the current year along with the steps taken by the Government to uniform the price of domestically produced natural gas/re-gasification and imported LNG and supply to fertilizers/power/Small and Medium Enterprises (SMEs), country/sector-wise;
(b) whether the Government has fixed priority in allocation of gas including gas produced from D6 and prices of gas to various sectors of economy particularly power/fertilizers and SMEs as per their capacity/requirement;
(c) if so, the details of the gas produced by various companies and allocated to various priority/non-priority sectors along with the steps taken by the Government for uniform prices across the country, sector/oil field/State/UT-wise;
(d) whether the gas based SMEs/power/fertilizers and other industries are badly affected and on the verge of closure due to short supply/shortfall of gas and if so, the details thereof along with request received from various States for supply of natural gas and follow-up action taken in this regard, State/UT-wise;
(e) whether Gas Authority of India Limited has been arbitrarily cutting gas supplied to fertilizer companies affecting urea production in the country and if so, the details thereof and steps being taken to normalise the gas supply; and
(f) the details of LNG terminals set up/proposed to be set up in the country to balance the projected demand and supply position in the country along with infrastructure of gas pipeline and other related facilities, State/UT and company-wise including Karnataka?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
(a): The details of demand and supply of natural gas to various sectors during 2014-15 are as under:
Sector
Projected Demand during 2014-15 as per working Group Report- 12th Five Year Plan (In MMSCMD)
Supply (Domestic and R-LNG) during 2014-15
(In MMSCMD)
Power
171
28.04
Fertilizer
113
41.91
City Gas
24
16.3
Petrochemicals/ Refineries/ Internal Consumption
67
19.62
Steel
8
2.20
Others
22
8.71
However, the actual demand is price sensitive and total utilization during 2014-15 was 116.78 (73.93 MMSCMD domestic and 42.85 MMSCMD R-LNG).
Due to less demand of imported LNG, out of 62.10 MMSCMD of total regasification capacity, 19.25 MMSCMD remained unutilized. In power and fertilizer sector, installed capacity is much less than the demand projected by working group.
The quantity of R-LNG imported during last three year and current year is as under:
Year
2012-13
2013-14
2014-15
2015-16
(April to Aug - 2015)
Quantity Imported Million Ton

13.135
13.020
13.289
5.80
The Cabinet Committee on Economic Affairs (CCEA), in its meeting dated 25.03.2015 approved the policy to revive and improve utilization of the stranded gas based power generation capacity in the country for the year 2015-16 & 2016-17 and as per the approval of the CCEA Ministry of Power has notified the scheme for utilization of Gas based power generation capacity on 27.03.2015. The scheme envisages supply of imported spot R-LNG at uniform base price to stranded gas based plants as well as the plants receiving domestic gas, up-to the target PLF selected through a reverse e-bidding process.
Further, the Cabinet Committee on Economic Affairs (CCEA) in its meeting dated 31.03.2015 approved
the scheme for pooling of gas in Fertilizer (Urea) sector. In compliance with the approval of CCEA, Ministry of Petroleum and Natural Gas on 20.05.2015 has notified guidelines for pooling of gas in fertilizer (Urea) sector. As per the guidelines domestic gas is being pooled with Re-gasified Liquefied Natural Gas (R-LNG) to provide natural gas at uniform delivered price to all Natural Gas Grid connected Urea manufacturing plants for the purpose of manufacturing of Urea.
(b): Yes, Government has fixed the sectoral priority in allocation of gas including gas produced from KG D6. The Government had issued New Domestic Natural Gas Pricing Guidelines on 25/10/2014. As per the New Domestic Natural Gas Pricing Guidelines, 2014, the gas price determined under these guidelines would be applicable to all gas produced from nominated fields given to ONGC and OIL India, the New Exploration and Licensing Policy (NELP) blocks, such Pre-NELP blocks, where the Production Sharing Contract (PSC) provides for government approval of gas prices and Coal Bed Methane (CBM) blocks except gas produced from Small and isolated fields in nominated blocks, blocks where prices have been fixed contractually for a certain period of time, gas produced from blocks where the PSC concerned provides a specific formula for natural gas price indexation/fixation and gas produced from such Pre-NELP blocks where the PSCs do not provide for Government approval of formula/ basis for gas prices. The gas prices determined under the above guidelines is applicable to all sector uniformly.
(c): As per data available in the Ministry, company-wise gas produced during the period of April to July-2015 is as under:
Company Name
Gas produced in MMSCM
ONGC
7169.30
OIL
874.23
PVT JV
2822
Total
10865.53
The sector wise details of domestic gas allocation are as under.
(MMSCMD)
Firm Fall Back Total Fertilizers 55.83 3.09 58.92 Power 90.60 18.09 108.69 LPG 10.54 0.04 10.58 CGD 12.31 12.31 Small Consumers 0.50 2.42 2.92 Petrochemicals 11.92 0.81 12.73 Refineries 8.98 6.00 14.98 Court Mandated 1.10 0.00 1.10
Internal Consumption 1.55 0.00 1.55 Others 2.21 10.96 13.17 Steel 8.40 1.55 9.95 Total 201.06 45.29 246.89
(d): After implementation of Pooling in Fertilizer (Urea) Sector, fertilizer plants are getting supplies of natural gas as per their requirement. Similarly after implementation of the scheme for utilization of Gas based power generation capacity, power plants successful in reverse e-bidding process, which also includes stranded power plants get supply of R-LNG up to target PLF.
(e): Supply of gas is made to the customers including fertilizer plants by GAIL in accordance with the allocations made by Gas Linkage Committee, Empowered Group of Ministers, the Empowered Pool Management Committee or through any other mechanism, as the case may be. Supplies to any of the customers including fertilizer units are not cut arbitrarily. However, on certain rare occasions, for reasons beyond the control of the pipeline operator and to maintain the pipeline hydraulics & system integrity, supplies may need to be regulated for a short period for incremental quantities, but the supplies are maintained at the same level on aggregated basis.
(f): The existing LNG regasification capacity in the country is 21.24 MMPTPA which includes 10 MMTPA Dahej Terminal, 5 MMTPA Kochi Terminal, 5 MMTPA Hazira Terminal and 1.24 MMTPA Dabhol Terminal. Though Kochi Terminal has been commissioned in September -2013, at present, the terminal is running at about 2% of its capacity due to delay in laying of Kochi-Koottanad-Bangalore-Mangalore pipeline in the states of Kerala and Tamil Nadu. PLL is in the process of Expanding its Dahej Terminal to 15 MMPTA which is scheduled to be completed by 2016.
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